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ABSTRACT

This instructor guide for a unit on business opportunities in the PACE (Program for Acquiring Competence in Entrepreneurship) curriculum includes the full text of the student module and lesson plans, instructional suggestions, and other teacher resources. The competencies that are incorporated into this module are at Level 3 of learning--starting and managing one's own business. Included in the instructor's guide are the following: unit objectives, guidelines for using PACE, lists of teaching suggestions for each unit objective/subobjective, model assessment responses, and overview of the three levels of the PACE program. The following materials are contained in the student's guide: activities to be completed in preparation for the unit, unit objectives, student reading materials, individual and group learning activities, case study, discussion questions, assessment questions, and references. Among the topics discussed in the unit are the following: market, demographic, and lifestyle trends in the United States; changes in business and industry in the United States; effects of the environmental impact on business opportunities; geographic areas offering the greatest business opportunities; the future of the U.S. economy and high growth in service industries and retailing; market research techniques for evaluating new business opportunities; and creative business opportunities. (MN)

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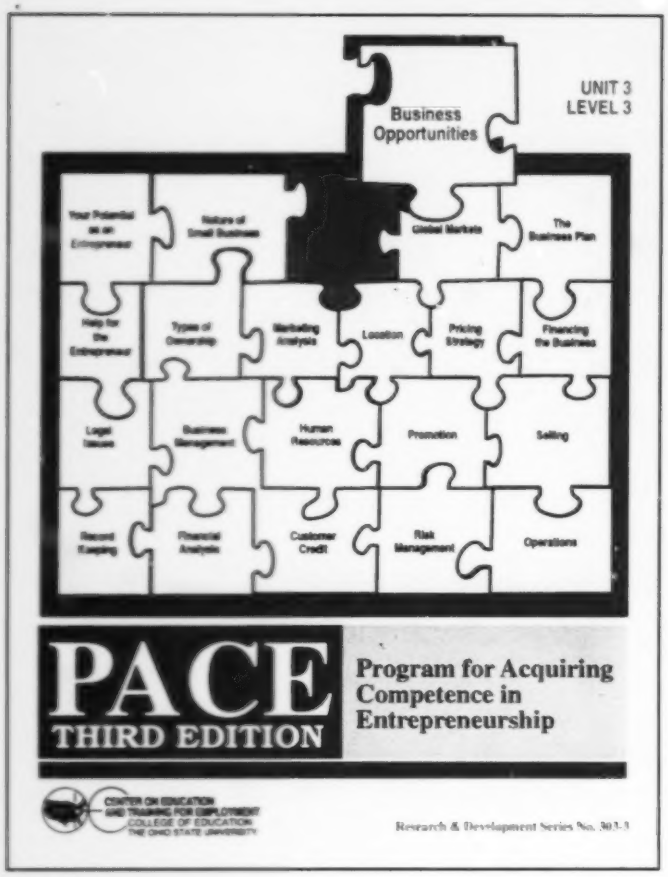

Objectives:

- Appraise the effect of trends and changes.
- Identify the environmental and geographic opportunities.
- Research the economic climate.
- Consider the options available in operating your business.
- Apply creative thinking to expand options for your business ideas.

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INSTRUCTOR GUIDE

Unit 3

Business Opportunities

Level 3

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HOW TO USE PACE

- Use the objectives as a pretest. If a student is able to meet the objectives, ask him or her to read and respond to the assessment questions in the back of the module.
- Duplicate the glossary from the *Resource Guide* to use as a hand out.
- Use the teaching outlines provided in the *Instructor Guide* for assistance in focusing your teaching delivery. The left side of each outline page lists objectives with the corresponding headings (margin questions) from the unit. Space is provided for you to add your own suggestions. Try to increase student involvement in as many ways as possible to foster an interactive learning process.
- When your students are ready to do the *Activities*, assist them in selecting those that you feel would be the most beneficial to their growth in entrepreneurship.
- Assess your students on the unit content when they indicate they are ready. You may choose written or verbal assessments according to the situation. Model responses are provided for each module of each unit. While these are suggested responses, others may be equally valid.

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Objectives	Teaching Suggestions
1. APPRAISE THE EFFECT OF TRENDS AND CHANGES	
What are the demographic trends in the United States?	Ask the class to identify ways in which our society has changed because of the aging of the population and dual income families.
What are the lifestyle trends in the United States?	Ask the class whether they believe there is a decline in the work ethic in the U.S. Discuss pros and cons.
	Ask the class what changes they expect in medical care in the next decade.
What are some of the changes in business and industry in the United States?	Discuss the impact of the shift of the labor pool away from manufacturing industries to service industries. Be sure to include unemployment and retraining.
	Bring in recent newspaper articles about the expansion of international trade. Ask the students how this expansion might impact their every day lives in the future.
2. IDENTIFY THE ENVIRONMENTAL AND GEOGRAPHIC OPPORTUNITIES	
How will the environmental movement impact new business opportunities?	Ask the students to raise their hands if they are currently involved in recycling in any way. Find out when they started recycling and why.
Where are the new business opportunities geographically?	Have students list the factors that impact the geographic location of a business. Be sure to include energy, labor pool, water, tax structure, transportation, quality of life, etc. Discuss future population shifts based on these factors.
3. RESEARCH THE ECONOMIC CLIMATE	
What will happen in the U.S. economy in the future?	Have the students bring in newspaper articles concerning the state of the U.S. economy, unemployment rate, business investment and growth. Ask what phase of the economy they believe they are in now. Have students defend their response.
4. CONSIDER THE OPTIONS AVAILABLE IN OPERATING YOUR BUSINESS	
What are some of the high growth business opportunities?	In a class discussion, identify new businesses in your community. Tie the development of these new businesses back to the trends in society.

Objectives	Teaching Suggestions
How can I evaluate new business opportunities?	Briefly, review consumer and competitive analysis.
What market research techniques can you use to evaluate new business opportunities?	Discuss the use of surveys, focus groups and test marketing. Stress advantages and disadvantages of each. Have the students taste test a cola product. Remove the label of (2) two-liter containers of the **same** cola product. White out the markings on the top. Label the bottles A and B. Have the students taste the products. They should record which they like best and why they like it. Most students will think that they are two separate products. Discuss the research. Why can't you publish your findings? Mention sampling errors, tasting errors, and discussion in class. Ask what other information would you want about your participants? Discuss demographics, frequency of usage, and media exposure.
5. APPLY CREATIVE THINKING TO EXPAND OPTIONS FOR YOUR BUSINESS IDEAS	
How can I think of a creative business opportunity?	Discuss the steps to creativity. Tell the students at least one class session in advance that they will be working on the redesign of a book bag. They should think about this project between classes. In a brainstorming session, suggest book bag modifications. Do not screen or evaluate the suggestions initially. After about fifteen minutes, go back and evaluate the suggestions. Combine viable modifications to create a new book bag.

MODEL ASSESSMENT RESPONSES

1. Demographic and lifestyle changes include YUPPIES becoming MUPPIES, dual income families, emphasis on convenience and efficiency, decline in work ethic, and high levels of medical care.

2. In the future, the labor pool is expected to shift away from manufacturing and toward service industries. There will continue to be a steep rise in the knowledge-based industries. The importance of international trade will greatly expand.

3. Recession - increasing unemployment, decreasing productivity and business investment.

   Depression - highest level of unemployment, lowest level of productivity and business investment.

   Recovery - decreasing unemployment, increasing productivity and business investment.

   Prosperity - lowest level of unemployment, highest level of productivity and business investment.

4. Our society has become increasingly aware of the environment. Consumers are recycling. Industries are controlling their pollutants. Many products carry green labels. Manufacturers are looking for ways to make their disposable products and packaging biodegradable.

5. The following are high growth industries: staffing services, mail order businesses, upscale casual restaurants, children's apparel, and family entertainment centers.

6. Focus groups - used to gather *qualitative* information such as why the consumer buys a certain product.

   Surveys - used to gather *quantitative* information such as market size.

   Test marketing - used to test consumer reaction to a new product after it is in production. Test marketing may be used to modify packaging, pricing, or promotional strategies.

7. The steps of the creative process include:

   1) problem recognition and definition
   2) search for information
   3) incubation period - a time during which the subconscious mind seeks a solution
   4) ah ha - the answer suddenly comes to you
   5) evaluation - is this a good idea? Is this the right idea?

PACE
THIRD EDITION

Program for Acquiring Competence in Entrepreneurship

Incorporates the needed competencies for creating and operating a small business at three levels of learning, with experiences and outcomes becoming progressively more advanced.

Level 1 — Understanding the creation and operation of a business.
Level 2 — Planning for a business in your future.
Level 3 — Starting and managing your own business.

Self-contained **Student Modules** include: specific objectives, questions supporting the objectives, complete content in form of answers to the questions, case studies, individual activities, group activities, module assessment references. **Instructor Guides** include the full text of each student module and lesson plans, instructional suggestions, and other resources. **PACE, Third Edition, Resource Guide** includes teaching strategies, references, glossary of terms, and a directory of entrepreneurship assistance organizations.

For information on PACE or to order, contact the Publications Department at the
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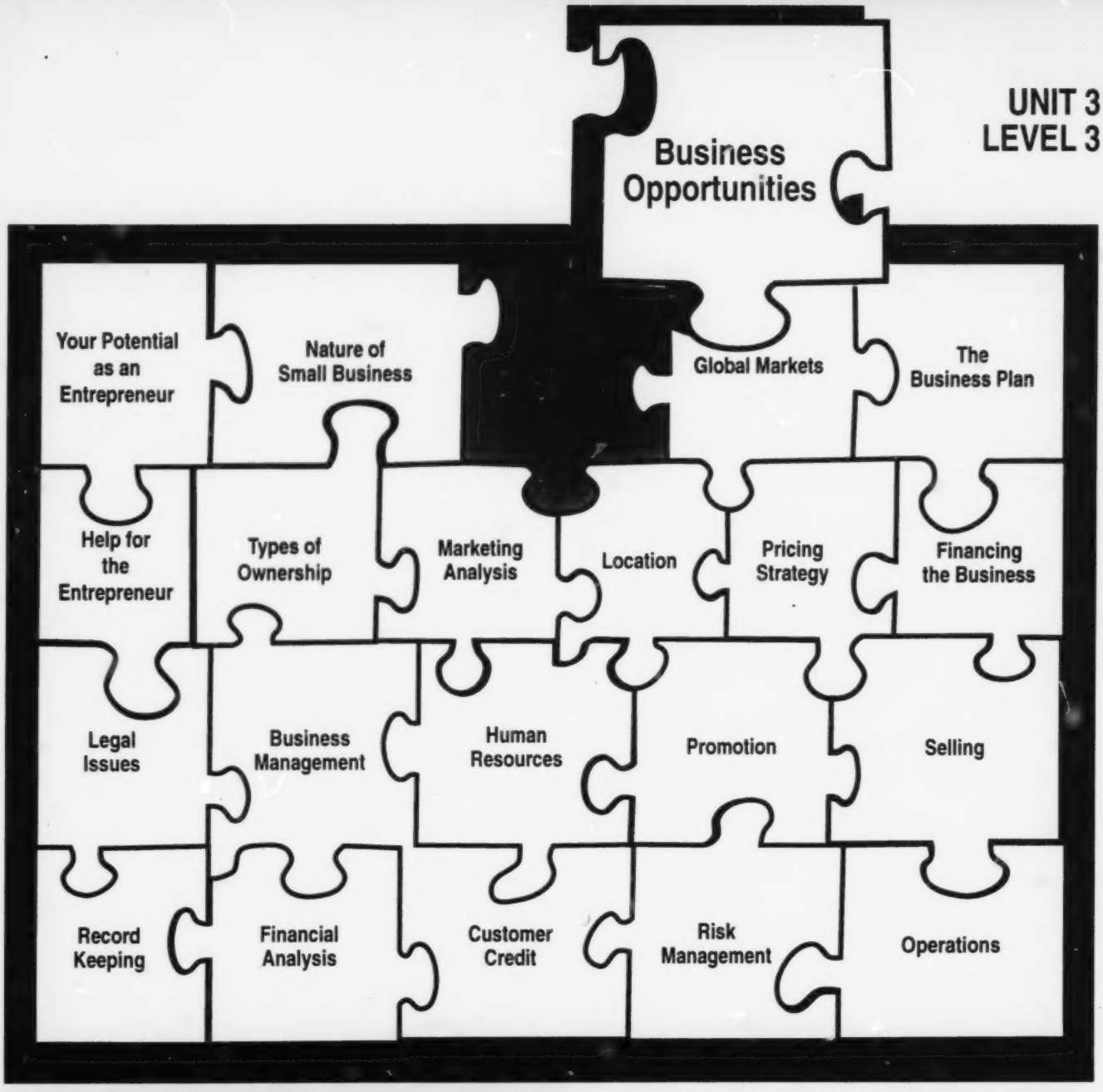
UNIT 3
LEVEL 3



PACE
THIRD EDITION

Program for Acquiring Competence in Entrepreneurship

CENTER ON EDUCATION AND TRAINING FOR EMPLOYMENT
COLLEGE OF EDUCATION
THE OHIO STATE UNIVERSITY

Research & Development Series No. 303-3

BUSINESS OPPORTUNITIES

BEFORE YOU BEGIN . . .

1. Consult the *Resource Guide* for instructions if this is your first PACE unit.

2. Read What are the Objectives of this Unit on the following page. If you think you can meet these objectives now, consult your instructor.

3. These objectives were met in Level 1 and Level 2:

   Level 1

   - Describe the factors that should be considered when starting a business.
   - Identify the trends and changes occurring in the business environment.
   - Discuss new technological changes that are occurring in potential career areas.
   - Define the process of creativity.
   - Complete a list of small business ideas related to a career area.
   - Create a new business idea.

   Level 2

   - Analyze changes and trends as a source of new business ideas.
   - Profile the business composition of the community.
   - Discuss major business decisions such as competitive advantage and ownership options.
   - Determine opportunities for a business of your choice.
   - Apply creative thinking to expand options for your business ideas.

4. Look for these business terms as you read this unit. If you need help with the meanings, ask your instructor for a copy of the PACE Glossary contained in the *Resource Guide*.

Depression
Focus group
Incubation period
Moderator's guide
Prosperity
Qualitative
Quantitative
Random sample
Recovery
Surveys
Test marketing
Window of opportunity

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BUSINESS OPPORTUNITIES

WHAT ARE THE OBJECTIVES OF THIS UNIT?

Upon completion of this unit you will be able to—

- appraise the effect of trends and changes,
- identify the environmental and geographic opportunities,
- research the economic climate,
- consider the options available in operating your business, and
- utilize creative thinking techniques to expand your business idea.

WHAT IS THIS UNIT ABOUT?

In this unit, you will search for new business opportunities. Unmet consumer needs often exist because of shifts in the market environment. Entrepreneurs quickly recognize these needs, and create businesses to satisfy them. The first step to discovering a business opportunity is to understand how the consumer market has changed. The second step is to determine what impact these shifts in the consumer market will have on consumer needs.

WHAT ARE THE MARKET TRENDS IN THE UNITED STATES?

Many articles and books have been written about the future of our economy. Let's look at some of the important changes in the areas of demographics, economics, industries, and lifestyles.

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WHAT ARE THE DEMOGRAPHIC TRENDS IN THE UNITED STATES?

North Americans are growing older. Young Urban Professionals (YUPPIES) are becoming Mature Urban Professionals (MUPPIES). Children of the baby boomers are growing up, and some are leaving home. One of the fastest growing segments of our populations is the over 100 year olds.

What market shifts could be predicted due to the aging population? You might expect to see larger type size on the labels. The emphasis on basic home furnishing for the YUPPIES will decrease and the emphasis on luxury home furnishings for the MUPPIES will increase. The demand for retirement communities and home health care services for the elderly is also expected to grow.

With the increase in dual income families, per capita income is expected to increase. In addition, as the income tax system and welfare system are restructured, economists predict that there will be fewer very rich and very poor. Middle income groups will expand. These changes will lead to a decrease in demand for true luxury and subsistence products. In contrast, there will be an increased demand for upscale middle class products. For example, we might expect to see an increase in the number of affordable cruises being offered.

WHAT ARE THE LIFESTYLE TRENDS IN THE UNITED STATES?

In North America, there is a tremendous emphasis on convenience and efficiency. This may be related to the increase in dual career families, the emphasis in business on improved communication, and our fascination with gadgets. We are interested in microwavable or freeze-dried food, cellular phones, and computers of all types.

In the future, many of the successful products will save time either at home or in the office.

Some people believe that there is a decline in the work ethic in the U.S. society. Certainly, as we age and our families age, there is increased emphasis on leisure activities. Tourism is expected to thrive in the future. In particular, with increased accessibility to international markets, international tourism is expected to grow rapidly.

We expect increasingly higher levels of medical care. However, these high levels of medical care carry a price tag. In the next decade, we will seek significant changes in the way we pay for our medical care.

WHAT ARE SOME OF THE CHANGES IN BUSINESS AND INDUSTRY IN THE UNITED STATES?

The tremendous increase in the number of service industries experienced in the past

decade is expected to continue. Increases in the financial institutions, insurance companies, health care organizations, transportation industries, and communication industries are expected. Although industries are becoming more efficient and using less labor, services are using more labor. A big percentage of the future employment will be in the service industries.

A steep rise in the knowledge-based industries is expected. Training and retraining of all kinds will become increasingly important. This will be driven by the shift away from employment in manufacturing toward employment in services. In addition, the anticipated high rate of technological turnover will require frequent retraining. What industries will benefit from this increased demand for training? Public and private schools/universities and educational consulting companies.

As the barriers to international trade break down, there will be an integration of national and international businesses. National production will become more specialized. If other countries make products that are better or cheaper than their U.S. competitors, then U.S. consumers will buy them. This will force U.S. industries to develop their unique capabilities.

HOW WILL THE ENVIRONMENTAL MOVEMENT IMPACT NEW BUSINESS OPPORTUNITIES?

A growing number of Americans want to live in harmony with the natural environment. Many products are being marketed as environmentally friendly. Some products even carry "green labels" indicating that they will not pollute the environment. Commercial recycling is beginning to be economically feasible. Manufacturers are looking for ways to make their disposable products and packaging biodegradable. Some consumers are seeking out food products that are untainted by pesticides or growth inducing hormones. This trend is expected to continue and significantly impact the development of new products in this society.

WHERE ARE THE NEW BUSINESS OPPORTUNITIES GEOGRAPHICALLY?

California, Texas, and Florida are expected to experience the greatest growth in the 90s. However, many other states will actually experience negative population growth the next decade. It is important to note that even in the states with declining populations, there may be population centers that continue to grow.

How does population growth impact society's need? What happens to the demand for new housing, new offices, new cable service, and so forth, in states with declining population? Demand declines, too, and competition intensifies. Does this mean that in states with a growing population there will be no marketing problems? No! Competitors from states with declining populations can be expected to move in.

In past decades, we saw rural populations move into the cities. Today, we are experiencing the rapid growth of **exurbs**, areas beyond the suburbs. In contrast, the future of the central shopping district in cities is

questionable. Many cities have attempted to revitalize their central shopping districts, adding a number of cultural attractions. Whether transportation, security, and housing in these central shopping districts can be sufficiently improved to attract residents to the area has not yet been demonstrated.

If you were going to open a new business, where would you locate it? The answer to this question probably depends on the business. If you were going to open a new grocery store or hardware store, you might choose to be in an exurb. However, if you were going to open a very upscale clothing boutique, you might choose one of the revitalized downtown shopping districts.

WHAT WILL HAPPEN IN THE U.S. ECONOMY IN THE FUTURE?

There are four economic phases **recession**, **depression**, **recovery**, and **prosperity**. During recession, unemployment increases, productivity decreases, and business investment decreases. These factors bottom out during a depression. During these hard financial times, even those who keep their jobs may suffer because work weeks may be shortened and wages reduced. Sales of major appliances and cars tend to drop faster than less expensive items. During a recession or depression, consumers tend to mend their clothes, grow their vegetables, and buy second-hand goods. During a recovery, unemployment decreases, productivity increases, and business investment increases. These factors peak during prosperity. During good economic times, consumers are more likely to make "big ticket" purchases. They are also more likely to buy luxury products during recovery and prosperity.

Economists are predicting an extended period of slow growth in the next decade. Both the inflation rate and interest rates are expected to be relatively low. This would be a good time to improve your housing situation either by buying a house, or refinancing your current house. It's also a good time to buy a car or a refrigerator. On the other hand, consumers may be less likely to sew or have a vegetable garden.

The economy in your local community may be quite different from the national economy. If a major employer just moved out of your community, your community's economy may be in a recession or depression even though the national economy is in recovery or prosperity. How can you tell how your local economy is doing? Look at the local unemployment rates. If the unemployment rate is increasing, then the local economy is in a recession. However, if the unemployment rate is decreasing, then the local economy is in recovery. Very high unemployment rates indicate depression and very low unemployment rates indicate prosperity.

WHAT ARE SOME OF THE HIGH GROWTH BUSINESS OPPORTUNITIES?

High growth business opportunities fill an unmet need in the market. There is often a limited time period in which dramatic new business growth may be experienced. This **window of opportunity** exists after the market need has been realized and before the

market is flooded with competition. Here are some new business opportunities which have been identified by others.

SERVICE INDUSTRIES

Staffing services. Hiring temporary staff gives a business flexibility and reduces the cost of benefits. Agencies may offer an assortment of temporary services or they may specialize. Some of the fastest growing temporary staffing services are technical, professional, and medical personnel.

Consulting. In this information age, consulting is big business. It is easy to become a consultant because there are no licensing requirements, and it takes very low capital investment. However, the failure rate is very high. About 9 out of 10 consultants fail within 10 years. Some of the highest growth areas for consultants are information technology, communications, human resources, finance, and health care.

Employee training. Training and retraining of professionals to keep pace with the changes in today's society offers tremendous opportunities. Society is shifting away from manufacturing toward more service-oriented industries. The service oriented-industries need employees who are able to work with the customers. This means a greater commitment to training.

RETAILING

Mail order. Americans are under increasing time pressure. Consumers depend on the convenience of mail order to reduce their shopping time. The anticipated growth in mail order does not just include catalog sales, but also online computer shopping and interactive computerized television.

Upscale casual restaurants. Americans are eating more at family restaurants. The thrill of the drive through is declining. Instead, Americans are going for the something-for-everybody restaurants. As a reaction to this trend, even fast-food restaurants are offering more seating on the premises.

Children's apparel. The parents of the baby boomlet dress their children well. The success of the *Gap Kids* and other upscale children's apparel stores is explained by the fact that baby boomers have higher incomes and smaller families than their parents. So, many baby boomers are willing to spend money to see that their children have top quality, brand name clothing. In contrast, many baby boomers are shopping resale stores for their children's clothing. Coming out of the recession of the 80s, some baby boomers are price conscious. They want value for their dollars.

Yard and garden stores and services. As part of the 90s trend toward cocooning, consumers want to develop their backyard into an outdoors room. There is a tremendous demand for all kinds of gardening supplies and self-help books and tapes. Due to time pressures, consumers are also interested in a wide assortment of yard care services.

Natural healthy breads and bagels. The health conscious consumer is buying low fat, high fiber hearth breads. The donut is out, the bagel or hearth bread is in.

Family entertainment centers. Dual income families are looking for affordable ways to maximize their time together. With the number of children under the age of 12 increasing by 2 million by the year 2000, family entertainment centers are expected to

grow dramatically. In these centers, family members crawl, climb, slide, and ride together. Many entertainment centers also offer a quiet room for the parents to escape from their children.

These are just a few new business ideas. To come up with the right new business opportunity for you, start by discovering what your market needs, then build on your own strengths and abilities. To explore your business opportunities fully, you'll need to be creative.

HOW CAN I EVALUATE NEW BUSINESS OPPORTUNITIES?

In Level 2 of the *Business Opportunities* unit, the importance of understanding a new business' potential competitors and customers was discussed. In addition, various sources of secondary data were used to determine whether there was a need for a new business in a particular community. It is easy to understand how this information could be used to determine the market for a business which had near substitutes, such as a pizza franchise in an area where there are other fast-food restaurants. But, what if an entrepreneur is considering a new business or product for which there are no close substitutes? Who is the competition? Who are the potential customers? What do the customers really want? The answers to these questions require more market research.

WHAT MARKET RESEARCH TECHNIQUES CAN YOU USE TO EVALUATE NEW BUSINESS OPPORTUNITIES?

There are three basic approaches to new product market research: surveys, focus groups, and test marketing. Which of these approaches you choose will depend on the types of questions you wish to have answered and the nature of the product itself. For detailed market analysis, it may be necessary to use a combination of market research approaches.

Surveys are a good way to gather **quantifiable** information about consumer preferences for new products. Quantifiable data are data that you can legitimately do numeric calculations with, such as percentages.

To yield statistically significant results, the population surveyed must be fairly large and selected randomly. In a **random sample**, each member of the population as a whole has an equal chance of being selected for the sample. For example, if the population as a whole has 1,000 members and the sample size is 100, then each member of the population has a 1 in 10 chance of being selected for the sample. To determine the exact size of a statistically significant random sample, you should work with someone familiar with statistics.

Many surveys are conducted using convenience samples. The surveys conducted in shopping malls are based on convenience samples. When entrepreneurs personally survey people they feel are representative of their potential customers, they are using a convenience sample. The advantages of

convenience samples are that they are often fast and inexpensive. The disadvantage is that the population you sample may, or may not, represent the population as a whole.

Writing the questions for a survey can be challenging. The questions and responses have to be easily understood. Researchers often try to tie interest in the new product to certain demographic variables. To avoid an early negative response from the interviewee, questions about age and income are usually placed at the end of the survey.

Surveys can be conducted by mail, in person, or by telephone. Inexperienced researchers often conduct mail surveys because they believe that they will be inexpensive. However, often mail surveys have a very low return rate which greatly increases their cost. If you mail out 1,000 surveys, you may only receive 50 responses. The number of surveys that are conducted using face-to-face interviews have declined because they are time consuming and expensive. In addition, it is very easy in a personal interview situation for the interviewer to indicate with a facial expression what answer they want. Recently, telephone surveys have become very popular. This is because they are relatively fast, inexpensive, and limit the amount or interaction between the interviewer and interviewee.

Focus Groups are an excellent way to gather **qualitative** information. Researchers use focus groups to answer questions about how consumers feel about products, or why they do what they do. Prior to the focus group, the researcher writes a **moderator's guide**. This is a list of 10-15 open-ended questions. Generally, open-ended questions are questions for which there is not a one word answer, so they tend to encourage discussion. The moderator calls together 7-15 individuals who represent their ideal customers. Sitting in a circle around a table, the participants respond to the moderator's questions. The moderator usually tape records the session and reviews the tape a number of times before writing the summary of the session.

For inexpensive products, **test marketing** is often an excellent way to determine consumer reaction to the new product. To test market a new product, the product is first actually created. Then, consumers are given the chance to either try the product for free, or purchase the product. Buyers' reactions to the new product are surveyed and analyzed. Entrepreneurs then base their predictions for their new business success on the consumers' reactions to the test marketed product.

There are several disadvantages to test marketing. First, due to the expense involved, it is not possible to test market product that require significant capital outlay for production. Second, competitors may find out about the new product during the test marketing stage. Third, because the test marketing is taking place in the real world, the entrepreneur can not control all the factors that might affect the results. For example, if during the test marketing competitors reduce their prices, consumer acceptance of the test marketed product may be reduced.

HOW CAN I THINK OF A CREATIVE BUSINESS OPPORTUNITY?

The most common block to creative thinking is simply the belief that creativity is an inherited trait, when, in fact, we all have some creative abilities. It is just a matter of putting ourselves in the right environment and polishing up our creative skills.

The creative process includes five basic steps. The first step is *problem recognition.* This may begin with a general discomfort with a situation. However, if a creative solution is to be found, the problem must be tightly defined.

In this unit your problem or "challenge" is to generate a new business idea. Ask yourself, "What new business should I start?" Now, ask yourself why you wish to start a new business. For example, you might answer that you want to start a business to increase your wealth, to work independently, and to control your work hours. Write all of these answers down. Now, you have a very clear idea of what your new business requirements are.

The next step to the creative process is to *search for information.* This information search usually takes place over a period of time. You have already started your search. You started this unit knowing a great deal about your market or your community. In this unit, you learned a little more about changes in the national market and the economy as a whole. But your information search is not over! Continually scan the newspaper, magazines, and junk mail for unmet market needs or new business ideas. Observe any difficulties people have in their everyday lives and ask yourself what products or services would make life easier. Write your new business ideas down even if they seem unrealistic at the time.

Next, comes the *incubation period.* The length of time for the incubation period varies depending on the problem and the individual. During the incubation period, the subconscious mind works to resolve the problem. Even when you are resting, your

subconscious mind strives to put all the pieces to the puzzle together.

Ah Ha! Now, you've got it. The answer to your question. The answer may occur to you when you are not even aware of the fact that you are thinking about the problem. You may wonder, "Where did that come from?" In fact, your subconscious mind has been working on the problem all the time.

Not all new business ideas are good ideas. After the Ah Ha, its time to *evaluate the idea*. Is the new business feasible? Would it be financially profitable? Are you excited about the business? You may even want to conduct some market research before deciding whether to start a business. Don't despair if you decide this isn't the business opportunity for you after all. Your subconscious mind will go back to work again, and, eventually, you'll find the right business opportunity for you.

Just like many other things, if we don't use the creative side of our brain it gets rusty. Here are some ideas to get your creative brain working again.

First, think of a common item. Choose something you use everyday, such as a pen, radio, or a bike. Ask yourself, "How can this product be improved?" Use the following SCAMPER checklist to stimulate your imagination.

S = Substitute?
C = Combine?
A = Adapt?
M = Modify? Magnify?
P = Put to other uses?
E = Eliminate or minimize?
R = Reverse? Rearrange?

Think in terms of the product as a whole or parts of the product. Write down any ideas you generate. After you have completed your list, review it. Select those ideas that seem most feasible.

Here is another approach to generating creative ideas. Start by **specifying your challenge**. This might be to create a new business idea or a new product line. As an example, supposing your challenge is to create a new type of restaurant. Write your challenge at the top of a clean sheet of paper. Be specific! The next step is to **select the parameters of your challenge**. In the case of the restaurant example, these parameters might be the decor, type of food served, and service. Each parameter should head a column underneath your challenge. Now, you need to **list the variations under each parameter**. For example, under decor, you might list some of the standard decors such as Mexican, Chinese, Early American. Don't be afraid to be a little crazy. For example, you might include outer space, inner space, underwater, ski slopes, and so on. Finally, **try different combinations of the parameters**. You might end up with frozen food on the ski slopes with self-service. Or, experimental cuisine served automatically as the customer crawls, jumps, or climbs through an outer space family entertainment center. Remember, the more often you challenge yourself to be creative, the more creative you will become.

New business opportunities are unlimited. As the market shifts, new market needs are created. Successful entrepreneurs note these unmet markets needs and create products and services to fill them.

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ACTIVITIES

The following activities are designed to help you apply what you have learned in this unit.

INDIVIDUAL ACTIVITIES

A.

Make a list of innovative products and/or services that have been introduced in response to the aging of the baby boomers.

B.

Make a list of businesses which operate in other communities, but not in your local community. Would these businesses be successful in your local community? Why or why not?

C.

Use your creative imagination to find new uses for "useless" things around you.

"Useless Thing"	Use
1. dust balls	1. fire starters
2. bottle caps	2.
3. little crayon stubs	3.
4. beach ball with hole	4.
5. used styrofoam cups	5.

GROUP ACTIVITIES

A.

As a class, restructure an unsuccessful local business. Students should think about the project in advance of the class discussion. In a brainstorming session, students should indicate all the possible ways the business could be modified. Consider product, price, promotion, and distribution. All suggestions should be recorded on the board. Initially, none of the suggestions should be evaluated. When all possible suggestions are recorded, review the list. Search for pragmatic suggestions for the business.

B.

Conduct a focus group in class on student attitudes toward a relevant product or service. The instructor should prepare a moderator's guide of 10 open-ended questions before the focus group. At the conclusion of the focus group, discuss how the focus group data could be analyzed.

C.

In a class discussion, redesign a book bag. The challenge is to improve the design of the book bag. Some of the parameters might be material, shape, size, structure, and so forth. Students should suggest other parameters, variations for the parameters, and different combinations of these parameters. Finally, the class should select the most viable combinations of variables.

CASE STUDY

Tom and Brad have talked about starting some kind of a business for several years. They have considered landscaping, lawn maintenances, and interior design. Tom graduated from a technical college with a degree in interior and fashion design. He has worked as an interior design consultant for a major department store for several years. Brad did not go to school, but worked at a greenhouse for three years. He is particularly interested in houseplants.

DISCUSSION QUESTIONS

1. Can you help Tom and Brad come up with a successful business? Be sure to consider their experience and education.
2. Which market trends would Tom and Brad's new business take advantage of?
3. How should they research the demand for their business venture?
4. What are the reasons why their potential customers would purchase their service?

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ASSESSMENT

Read the following questions to check your knowledge of the topics presented in this unit. When you feel prepared, ask your instructor to assess your competency on them.

1. What are some of the consumer demographic and lifestyle changes anticipated in the 90s?

2. What are some of the changes expected in business and industry in the 90s?

3. Define the following words: prosperity, recovery, recession, and depression. How could you determine which of these economic phases your community is in?

4. What are some of the ways the environmental movement has impacted the business community?

5. Identify several high growth business opportunities.

6. When would you use each of the following market research techniques? focus groups, surveys, test marketing.

7. Describe the five basic steps to creativity.

8. Describe one technique to stimulate creative thought.

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PACE

Unit 1. Your Potential as An Entrepreneur
Unit 2. The Nature of the Small Business
⇨ Unit 3. Business Opportunities
Unit 4. Global Markets
Unit 5. The Business Plan
Unit 6. Help for the Entrepreneur
Unit 7. Types of Ownership
Unit 8. Marketing Analysis
Unit 9. Location
Unit 10. Pricing Strategy
Unit 11. Financing the Business
Unit 12. Legal Issues
Unit 13. Business Management
Unit 14. Human Resources
Unit 15. Promotion
Unit 16. Selling
Unit 17. Record Keeping
Unit 18. Financial Analysis
Unit 19. Customer Credit
Unit 20. Risk Management
Unit 21. Operations
Resource Guide
Instructor's Guide

Units on the above entrepreneurship topics are available at the following levels:

* Level 1 helps you understand the creation and operation of a business
* Level 2 prepares you to plan for a business in your future
* Level 3 guides you in starting and managing your own business